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Season's Greetings

Fred W. Suhler
MARKET ADMINISTRATOR

Number of Farms With Milk Cows Declining Sharply

Census data covering the year 1959 show a sizable decline in the number of farms for all available States. For the first 31 States for which reports have been released there was a total of 760,000 farms from which milk or cream was sold during 1959, in contrast to 1,090,000 farms in 1954 — a reduction of about 30 percent, or 6 percent per year. From 1949 to 1954 the reduction was 317,000 farms nearly 25 percent, or 5 percent per year. The increase in volume of milk marketed per farm is indicated by the fact that, from 1949 to 1959, total sales of milk increased 15 percent, with just a little over half as many farms selling milk and cream as in the earlier year. Data for Federal Milk Marketing areas indicate that the trend to larger scale and fewer farms persisted in all years between Census years.

In the postwar period the prevailing level of milk production reflects a sensative balance among three contributing elements: (1) rapidly increasing milk production per cow; (2) decreasing number of farms with milk cows; and (3) increasing size of herd on those farms continuing to produce milk. All three of these factors, could be varied in some manner to cause a sudden and substantial change in milk production within any one year. In the last decade only one large increase has occurred; that was the 5.5 billion pound rise from 1952 to 1953. Economic factors causing that upward adjustment were increased supplies of feed grain and declining prices for feed, and declining prices of other livestock products relative to milk, especially beef cattle. Only in one year since 1944 have milk cow numbers actually increased. The sole increase was in 1953.

(continued on the back page)

Columbus

MARKET FACTS FOR EASY REFERENCE

	Nov. 1960	Oct. 1960	Nov. 1959
PRICE SUMMARY			
Producers' Uniform Price (3.5%)	$4.94	$4.84	$5.11
Producers' Uniform Price (4%)	5.33	5.22	5.51
Class I (3.5%)	4.611	4.502	4.696
Class II (3.5%)	4.211	4.102	4.296
Class III (3.5%)	4.004	3.913	3.927
Class IV (3.5%)	3.135	3.100	3.228
Producer Butterfat Differential for each 1/10%	7.8¢	7.6¢	8.0¢
UTILIZATION SUMMARY			
Percent of Producer Milk in Class I	85.9	86.1	90.6
" " " B.F. " " I	79.8	83.3	84.0
" " " Milk " " II	6.7	7.9	6.6
" " " B.F. " " II	2.4	2.3	2.6
" " " Milk " " III	1.5	1.6	1.3
" " " B.F. " " III	2.4	2.7	3.1
" " " Milk " " IV	5.9	4.4	1.5
" " " B.F. " " IV	15.4	11.7	10.3
PRODUCTION SUMMARY			
Total Pounds of Producer Milk Delivered	27,083,211	27,938,777	25,350,698
Average Daily Class I Producer Milk	774,993	776,238	765,061
Total Number of Producers	1,566	1,588	1,693
Average Daily Production per Producer	577	568	499
Average Butterfat Test	3.94	3.80	4.0
Total Value of Producer Milk at Test	$1,299,608.81	$1,287,779.60	$1,272,220.92
Income per Producer (7 Day Average)	$193.64	$183.12	$175.34
GROSS CLASS USE (Pounds)			
Class I Skim	22,399,692	23,178,852	22,107,930
" I B.F.	850,109	884,525	852,655
" I Milk	23,249,801	24,063,377	22,960,585
" II Skim	1,907,706	2,238,913	1,804,671
" II B.F.	25,886	24,261	26,392
" II Milk	1,933,592	2,263,174	1,831,063
AVERAGE DAILY SALES (Quarts)			
Milk	304,991	304,078	295,454
Buttermilk	4,722	5,049	4,890
Chocolate	18,875	17,855	16,352
Skim	11,359	11,651	11,245
Cream	9,136	8,951	8,827

COMPARATIVE STATISTICS ★ COLUMBUS MARKETING AREA ★ Nov., 1951-60

Year	Receipts from Producers	Average Butterfat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1951	14,664,041	4.31	70.0	8	5	——	4.97	4.975	4.575	3.799	——	2,105	232
1952	16,751,355	4.19	85.1	12	2.3	——	5.18	5.232	4.832	3.75	——	2,205	253
1953	20,170,821	4.12	81.8	13.3	4.9	——	4.58	4.71	4.31	3.49	——	2,241	300
1954	21,133,079	4.05	81.9	8.2	4.5	5.4	4.15	4.31	3.91	3.91	3.23	2,171	324
1955	22,266,699	3.99	81.2	9.1	3.9	5.8	4.12	4.257	3.857	3.857	3.168	2,106	352
1956	23,100,784	3.90	83.6	8.8	3.6	4.0	4.40	4.537	4.137	4.137	3.321	1,998	385
1957	23,847,569	3.92	85.3	7.8	2.9	4.0	4.37	4.504	4.104	4.004	3.081	1,882	422
1958	23,091,764	3.89	88.1	7.9	1.3	2.7	4.37	4.434	4.034	3.934	2.887	1,729	445
1959	25,350,698	4.00	90.6	6.6	1.3	1.5	5.11	4.696	4.296	3.927	3.228	1,693	499
1960	27,083,211	3.94	85.9	6.7	1.5	5.9	4.94	4.611	4.211	4.004	3.135	1,566	577

USDA Recommends Amending Cincinnati Area Federal Milk Order

Recommendations for amending the Cincinnati, Ohio, Federal milk order, enlarging its area of regulation, have been announced by the U. S. Department of Agriculture.

The recommendation calls for adding to the regulated marketing area the northern Kentucky counties of Boone, Campbell, Grant, Harrison, Kenton, and Pendleton. The Cincinnati order currently covers all territory in the city of Cincinnati and within the four Ohio counties of Butler, Clermont, Hamilton, and Warren. The enlarged marketing area would be called the " Greater Cincinnati Marketing Area".

Other changes recommended would:

1. Permit Cincinnati pool plants, in accounting for their utilization of milk to allocate to Class I consumer-packaged milk they have received from other Federal order markets.

2. Give operators of nonpool plants distributing milk in the Cincinnati area the option of paying their dairy farmers at the order prices for such milk or of paying compensatory payments into the pool.

Evidence on which the USDA recommendations are based was presented at a public hearing in Cincinnati July 12-15, 1960. Copies of the recommended decision may be obtained from Market Administrator Fred W. Issler, P. O. Box 1195, Cincinnati 1, Ohio, or from Dairy Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

Following consideration of exceptions filed, USDA may issue a final decision on the proposed amendment. Producers would then be asked to vote on the proposal. Approval by more than two-thirds of those voting is required before USDA could issue an amending order.

Prices to Producers To Continue Near Present Levels Thru March '61

Prices received by farmers for milk and cream have been reasonably stable since the downward adjustment of support levels in 1954. The average price received by farmers was $3.97 per hundredweight of milk in 1954. It moved upward moderately each year to a post-Korean war peak of $4.21 in 1957, then receded in the last three years to the area of $4.12 to $4.15. The slight gradual increase in the last several years was the result of a combination of developments: (1) some increase in the parity price; (2) an increase in the support level above the minimum of 75 percent of parity specified in prevailing legislation which went into effect by administrative action on April 1, 1954; (both of these trended to raise the support level) and, (3) in the last two or three years, a more pronounced tendency in the second half of the year for market price to exceed the equivalent of support prices.

Changes from a year earlier during 1960 have been very small for both milk at wholesale and for butterfat. The price of milk has been higher than a year earlier in every month of 1960 but averaging up only about 1 percent in the first 10 months of the year. The price of butterfat this year has been higher in all months except two; it now is about 1 percent over a year earlier.

By early November prices of a number of dairy products at wholesale had declined slightly and were just barely above the equivalent of the newly-announced price support levels, indicating not much change is likely in prices for dairy products through March 1961. Prices thereafter will be dependent upon the support level for the marketing year beginning April 1, such supports to be announced before April 1, 1961.

Some increase in production of milk during 1960, and a larger proportion of the production sold has led to a new record high in total volume of sales by farmers. Even with prices considerably below the levels of the early 1950's, the volume sold in 1960 is building up to a new record high in cash receipts from sale of dairy products for the year.

In the first quarter of 1961 the volume of milk sales by farmers probably will be at a new high record, and, with the price levels in prospect, will give cash receipts also a new high level for the period. For the remaining nine months of the year, in all probability, the volume of sales will be in excess of any previous level.

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Nov.

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NUMBER OF FARMS WITH MILK COWS DECLINE

(continued from page one)

Separate contributions of the increased size of herd and the decline in exodus to the 1953 rise in total milk output are not available but, we know of course, that a good deal of it was caused by the rise in rate of milk production per cow, from 5,374 pounds in 1952 to 5,542 pounds in 1953, a gain of nearly 3 percent. In the following 4 years, 1954-57, output of milk increased only 5.7 billion pounds, only slightly more than the increase of 5.5 billion in the single year 1953. This period was marked by stable dairy prices following the sharp downward adjustment in the first quarter of 1954, declining beef prices followed by some strengthening in those prices during 1956-57, and milk-feed price relationships well above average, generally, and sometimes the highest in two decades or longer.

During 1958 and 1959 production of milk in the United States declined about 1.5 billion pounds from the record high reached in 1957. The major economic factor affecting milk production which changed in this period was the price of beef cattle. In early 1959 the price of beef cattle was at the highest level since mid-1952. Contributing also, however, were poor pasture conditions and poor crop-growing weather in a number of important dairy areas of the upper Midwest. Another important factor may have been increasing availability of off-farm employment opportunities in the northern dairy areas.

Since the early part of 1959, again, the major factor influencing milk production to show change has been beef prices. In the past 18 months the U.S. average price received by farmers for beef cattle has declined about 15 percent on a seasonally adjusted basis.

The influence of feed prices on milk production is not immediate; there is some reasonable lag. But during 1959 there was a noticeable let-up in the rate of decline in the number of milk cows. At the end of December 1959, the number of milk cows on farms was down 1.2 percent from a year earlier compared with a reduction of 3.2 percent at the beginning of 1959. During 1959, however, with a depressed rate of milk production per cow, total milk production was considerably under a year earlier during the summer. During the last four months of the year production was up about one percent, and the delayed effects of the downward adjustment in beef prices set the stage for a larger production of milk during 1960. The increase during 1960, however, did not become as large as normally would have been expected. The rate of production per cow in a number of important dairy States in the upper Midwest was depressed in the early part of 1960 by adverse weather conditions and resulting late development of pastures. Production for 1960 as a whole will total about 125.5 billion pounds, about 1 billion pounds more than a year earlier compared with the previous record of 125.9 billion set in 1957.

Market Quotations

NOV. 1960

12 MIDWEST CONDENSERIES 3.5% per Cwt.	$3.402
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.985 Est.
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	3.020
Evaporated Milk Code Price, 3.5% per Cwt.	2.986
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.2160
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.185
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.209
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo)	3.083
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.)	3.083
Average Weekly Cheddars price per lb.	.3775
Average price per lb. non-fat dry milk solids, roller process delivered Chicago	.14100
Average price per lb. 92-score butter at Chicago (Equivalent Price)	.6147
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1315